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STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

IN RE ENBRIDGE PIPELINES (ILLINOIS) L.L.C.	)	
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APPLICATION PURSUANT TO SECTIONS 8-503, 8-509, AND 15-401 OF THE PUBLIC UTILITIES ACT/THE COMMON CARRIER BY PIPELINE LAW TO CONSTRUCT AND OPERATE A PETROLEUM PIPELINE AND, WHEN NECESSARY, TO TAKE PRIVATE PROPERTY AS PROVIDED BY THE LAW OF EMINENT DOMAIN	)	Dkt. No. 07-0446

APPLICATION FOR CERTIFICATE IN GOOD STANDING AND OTHER RELIEF

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INTRODUCTION

Enbridge Pipelines (Illinois) L.L.C. hereby petitions for the issuance to it of a Certificate in Good Standing pursuant to Section 15-401(a) of the Common Carrier by Pipeline Law (220 ILCS 5/15-401(a)) and, pursuant respectively to Sections 8-503 (220 ILCS 5/8-503) and 8-509 (220 ILCS 5/8-509) of the Public Utilities Act, the entry of an order authorizing it to construct, operate, and maintain approximately 170 miles of new 36-inch liquid petroleum pipeline from near Pontiac to Patoka, as more fully described below, as well as authorizing it when necessary for the construction of the pipeline to acquire private property in the manner provided for by the law of eminent domain. Such authority and certification is sought only in the interest of efficiency in the event that exercise of the power of eminent domain becomes necessary to the construction of the herein described common-carrier-by-pipeline facilities needed to meet public need for crude petroleum. Applicant states that it is the policy, practice, and intention of Applicant to acquire necessary interests in real estate through negotiated agreements with property owners to the maximum extent possible. As shown herein, this Application has been properly filed; a public need exists for the transportation of crude petroleum by the pipeline

facilities Applicant intends to construct; Applicant is fit, willing, and able to provide common-carrier-by-pipeline service; and the public convenience and necessity requires the granting of the requested certification and authorization.

DESCRIPTION OF THE APPLICANT AND RELEVANT AFFILIATES

1. Enbridge Pipelines (Illinois) L.L.C. ("Enbridge Illinois" or "Applicant") is a Delaware limited liability company with its principal office located at 1100 Louisiana, Suite 3300, Houston, Texas 77002 (ph. 713-821-2000). Enbridge Illinois is a wholly owned subsidiary of Enbridge, Inc. and as such is an affiliate of both Enbridge Energy Partners, L.P. ("Enbridge Partners") and Enbridge Energy, Limited Partnership ("Enbridge Energy"). Enbridge Partners and Enbridge Energy own and operate the "Lakehead System," the U.S. portion of an operationally integrated pipeline system which operates in seven Great Lakes states, including Illinois, and which constitutes the U.S. portion of an operationally integrated pipeline system spanning approximately 1,900 miles across North America to connect producers and shippers of crude petroleum in western Canada with markets in the United States and eastern Canada. Together with the Canadian pipeline systems of another affiliate, Enbridge Pipelines Inc., these facilities constitute the world's longest crude petroleum and petroleum liquids pipeline system and are the primary means of transporting crude petroleum from Canada to the United States as well as the only pipeline transit system that transports crude oil from western Canada to eastern Canada. Enbridge Partners and Enbridge Energy were certificated as a common-carrier-by-pipeline in Illinois by this Commission in its Docket No. 06-0470 and authorized to construct,

operate, and maintain in Illinois pipeline facilities known as the Southern Access Expansion Project and the Southern Lights Project. ORDER, April 4, 2007, Dkt. No. 06-0470. [1]

2. Enbridge Illinois is owned by Enbridge Inc., a leading company in the transportation and distribution of energy in North America and internationally (hereinafter "Enbridge"). Among Enbridge's business segments is the Liquids Transportation unit which includes the operationally integrated Lakehead/Enbridge Pipelines international pipeline system (the "Enbridge Mainline System"); the Southern Access Expansion/Southern Lights pipelines; the Ozark System, an interstate petroleum system that ends in Wood River, Illinois; and the Spearhead System, an interstate petroleum pipeline which also operates in Illinois. Another business segment -- the Natural Gas Business -- includes partnership interests in the Alliance and Vector interstate natural gas pipeline systems, both of which operate in Illinois. Enbridge and its affiliates employ more than 4,500 people, primarily in Canada and the United States. The common stock of Enbridge is widely held and is publicly traded on both the Toronto Stock Exchange (TSX:ENB) and the New York Stock Exchange (NYSE:ENB). In 2006, Enbridge, had total capitalization of Cdn$14.2 billion and earnings applicable to common shareholders of Cdn$615.4 million. Enbridge is headquartered in Calgary at 425 - 1st Street S.W., Calgary, Alberta T2P 3L8 Canada.

[1] Enbridge's pipelines constitute an interstate common carrier pipeline system that charges tolls to shippers of crude petroleum and other petroleum liquids; these pipeline entities are not involved in producing or refining petroleum. Within the U.S., all tariff rates, applicable surcharges, and terms of shipment for transportation of liquid petroleum through Enbridge pipelines are established and governed by tariffs filed with and regulated by the Federal Energy Regulatory Commission (FERC) under the authority of the Interstate Commerce Act of 1887. As interstate liquid pipelines, the construction, operation, and maintenance of Enbridge's pipelines are exclusively regulated by the United States Department of Transportation (DOT), Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to various federal laws and regulations.

ENBRIDGE'S EXPANSION
PROGRAMS AND THE
SOUTHERN ACCESS EXTENSION PROJECT

3. As demonstrated and found in Docket No. 06-0470, public demand for refined petroleum products in Illinois, the Midwest generally, and across the country requires the importation into Illinois and other areas of immense amounts of crude petroleum that can be refined into gasoline, heating fuels, jet fuel, asphalts, medicines, petrochemicals, and other items needed by the consuming public. Demand for petroleum products as an energy source and for other purposes has grown steadily and will continue to grow in Illinois and throughout the United States as population grows and economic activity expands, despite energy conservation and efficiency measures and the development of alternative fuels. Historically, a major portion of the crude petroleum required to satisfy the public demand for refined products has been sourced from petroleum production areas in various western Canadian provinces and has been transported to Illinois and other states through common carrier pipelines such as the Lakehead System. Crude petroleum produced in western Canada is economically attractive to American refiners, including those in Illinois, exist in ample supply, and constitutes a reliable and secure resource for Illinois-area and other U.S. refiners. The oil sands region in Alberta, Canada and other conventional Canadian oil deposits are estimated to contain reserves of 174.1 billion barrels, second only to those of Saudi Arabia. Production from the oil sands now exceeds 1,000,000 barrels-per-day (bpd) and is expected to reach 3.5 million bpd by 2015. Since 2000, Illinois-area refineries have increasingly relied upon Canadian sources for their crude petroleum supplies, so much so that of the 831,000 bpd of refining capacity in Illinois in 2004, 442,000 bpd utilized supplies from Canada. By 2006, forty-four percent (44%) of the refining capacity in Illinois and northern Indiana was supplied with Canada feedstock. U.S. imports of Canadian

crude doubled in the period 1998-2003 and more than one million bpd of Canadian crude petroleum are now imported into the American market area known as Petroleum Administration Defense District II (PADD II), approximately seventy percent (70%) of the region's crude petroleum imports.[2]

4. Enbridge has long been committed to affording Illinois, PADD II, and American consumers in general access to the petroleum resources of western Canada. Since 1949, Enbridge and its predecessors have constructed and placed in service thousands of miles of mainline pipelines and related facilities needed and used to deliver billions of barrels of crude petroleum to American and eastern Canadian refiners. As non-Canadian supply sources have dwindled, become insecure, unreliable, or diverted to foreign markets and as Canadian supply has increased, Enbridge and its affiliates have acted to expand and extend their pipeline systems through strategic construction programs to increase access to secure and growing Canadian supplies. As a result, Enbridge pipelines now move -- directly or via interconnections -- Canadian crude into American market areas, such as the Mid-continent, that lacked access thereto and needed alternative sources of supply. These programs have been undertaken in response to public needs and the collective requirements of refiners and crude oil producers. Thus the billion-dollar plus expansion of system facilities represented by the Southern Access Project authorized in Docket No. 06-0470 and under which two new pipelines were proposed and authorized is a continuation of Enbridge's long commitment to providing adequate, efficient, and economic transportation service for producers and users of crude petroleum.

[2] PADD II includes fifteen Midwestern states with a combined population of about 80 million people (2006 U.S. Census estimate). It encompasses an area generally bounded by Oklahoma, North Dakota, Ohio/Michigan, and Tennessee. The region contains substantial amounts of refining capacity and accounts for approximately twenty-two percent (22%) of U.S. gasoline production and twenty-nine percent (29%) of U.S. gasoline demand.

5. The Southern Access Project, along with other system facilities and improvements -- in Illinois, these include additional pump stations on an existing Enbridge line -- will afford Enbridge the ability to provide 400,000 bpd of additional capacity into the Midwestern market area and includes a new 42-inch (outside diameter) mainline pipeline running from Enbridge's storage terminal in Superior, Wisconsin to Enbridge's Delavan, Wisconsin pump station (Stage 1). Stage 1 of the Southern Access Project, with new pipeline located entirely in Wisconsin, will add 146,000 bpd of incremental capacity into the Chicago market area and is scheduled for service in early 2008. From Delavan, a further segment of the new pipeline will be constructed to Enbridge's Flanagan petroleum terminal near Pontiac, Illinois (Stage 2). At that point, the expanded Enbridge Mainline System can connect with Enbridge's Spearhead Pipeline through which crude can be transported both northeasterly and southwesterly to reach various market areas. Stage 2 is scheduled for completion in early 2009.

6. Since the December 2005 commitment by Enbridge to build the two pipelines proposed in Docket No. 06-0470, the market demand for pipeline access to Canadian crude has continued to grow and expand. Thus projects under evaluation at that time have moved to fruition and have become part of Enbridge's service commitments. These include the two new pipelines discussed in Docket No. 06-0470 (App. at 13 n.8) -- the "Alberta Clipper Project," an addition to the Enbridge Mainline System between Alberta and Superior that will add 450,000 bpd to system capacity by late 2009 and the Southern Access Extension Project ("Extension Project"), a 36-inch (outside diameter) pipeline extending from the Flanagan terminal to a crude oil hub near Patoka, Illinois in Marion County, where Enbridge owns storage facilities. At the Patoka terminal, Enbridge and other companies have some 13 million barrels of crude petroleum storage and breakout tankage (existing and under construction) to facilitate further delivery via

connecting pipelines to numerous U.S. refiners. Enbridge Illinois will build and operate this pipeline, and its associated pumping stations, as part of the integrated Enbridge Mainline System. The Extension Project is a further enhancement of the Southern Access Program, which comprises the two lines authorized in Docket No. 06-0470 and the Extension Project. By connecting at Flanagan, the Extension Project will afford U.S. refiners an initial capacity of 400,000 bpd for movements of crude petroleum to Patoka, a pipeline hub at which connections exist for movements further south as well as east and west to various market areas.

7. Applicant's Extension Project includes an underground pipeline approximately 170-miles long located within a 60-foot wide permanent easement pipeline right-of-way running from the Flanagan terminal through parts of Livingston, McLean, DeWitt, Macon, Shelby, Christian, Fayette, and Marion Counties to the Enbridge facilities near Patoka, Illinois (infra at 16-17). Much of the right-of-way will be either adjacent to or collocated with existing rights-of-way or will be partially in an existing right-of-way of the former Central Illinois Pipeline Company, with which Enbridge Illinois merged in 2006. During construction, an additional 60-foot temporary workspace easement generally will be needed alongside the permanent easement area (extra temporary workspace will be required in some locations, such as road, wetland, and water-body crossings). As are all Enbridge's pipelines, the Extension Project will be constructed of high grade steel, will be fusion-bond epoxy coated to prevent corrosion, and will include a cathodic protection system to prevent corrosion. Two electric pumping stations will be constructed for the line, one at the Flanagan terminal and the other at the approximate midpoint of the route. These will be located on land acquired in fee by Enbridge Illinois and each will have two 6,000 horse power electric pumps. Appropriate isolation valves and other standard pipeline appurtances will also be installed along the right-of-way and manifold connections will

be constructed at the Flanagan terminal to facilitate interconnects to Enbridge's other lines. At Patoka, the Extension Project includes connections to third-party (non-Enbridge) pipelines and tankage, which will enhance petroleum-storage capacity at the Patoka pipeline hub and allow shippers improved flexibility in delivering to numerous refineries in southern PADD II and the Gulf Coast.

PUBLIC NEED/PUBLIC CONVENIENCE AND NECESSITY

8. As recognized in Docket No. 06-0470, adequate supplies of petroleum and refined petroleum products are essential to the public and the economic health and well being of Illinois, the Midwest, and the nation. The United States daily requires millions of barrels of imported crude to supply its refineries, which produce the myriad of refined petroleum products demanded by American consumers. Illinois alone is one of the largest consumers of energy in the United States; nationally, consumption of oil is expected to continue to grow for decades to come. Thus the Energy Information Administration (EIA), an agency of the U.S. Department of Energy, projects that U.S. oil use will grow from 20.7 million bpd in 2005 to about 26.9 million bpd by 2030, an increase of close to thirty percent (30%). This demand is driven by increases in population and economic activity, and will continue to grow in coming decades despite increased retail-product prices, energy conservation, and alternative-energy sources. Public demand for refined petroleum products is met by the production of refineries that supply gasoline, heating oil, jet fuel, and feedstock to consumers and industries in Illinois, the Midwest, and other areas. Five major refineries located in or near Illinois -- ExxonMobil in Joliet; BP in Whiting, Indiana; ConocoPhillips/EnCana in Wood River; CITGO in Lemont; and Marathon in Robinson -- produce over 1.3 million barrels per day of petroleum products and ship their output to users in Illinois and surrounding states. To meet such public need, these refineries must have constant, adequate, and dependable supplies of crude petroleum that can be processed into end products. Due to lack of native resources -- e.g., Illinois produces only three percent (3%) of the crude it needs for refining and PADD II as a whole produces only part of the feedstock needed by its refineries -- millions of barrels per day of crude petroleum must be transported to Illinois-area

and other American refineries, virtually all by pipeline. Indeed, the majority of the crude required by domestic refineries located outside of coastal areas is transported to them by underground transmission pipelines; in the Midwest/PADD II, 99.6% of total refinery crude deliveries are made by pipeline.

9. Of the three major sources of supply for Illinois and PADD II refineries -- i.e., U.S. Gulf of Mexico produced crude/waterborne foreign crude imported via the U.S. Gulf Coast; American Mid-continent produced crude from Oklahoma and Texas; and Canadian produced crude from western Canada -- Canadian produced crude is increasingly the most feasible, secure, and economic means of meeting growing American demand. Domestic American onshore production has been steadily declining for decades and will continue to do so. Gulf-produced crude, although important, is not projected to be a source of continuously increasing supply into the Midwest; moreover, Gulf sources and supply systems for both domestic production and foreign imports are vulnerable to hurricane disruptions (in 2005, two major hurricanes caused significant production and supply problems for Gulf sources). Growing worldwide demand for oil as well as political volatility has made long-term reliance on Gulf-landed foreign crude increasingly unattractive to domestic users, as has pressure for increasing energy independence from overseas sources. In recent years, Illinois, Midwestern, and other PADD II refiners have increasingly sought supplies from secure Canadian sources, including discounted heavy crude such as produced in the Alberta oil sands regions. Thus western Canada has emerged as an important crude supplier for the United States, particularly the Midwest, due to Canada's very low degree of political risk, its physical proximity, attractive crude pricing, and the prospect of significantly increasing crude production. The five major Illinois-area refineries have in recent years been upgraded to utilize some portion of Canadian heavy crude in their supply portfolios,

and this trend is continuing. BP, having improved the ability of its Toledo, Ohio refinery to process heavy crude in the 1990s, has recently announced a program to substantially upgrade and expand the Whiting refinery's capacity to do so, thereby ultimately increasing its ability to produce gasoline by some fifteen percent (15%). Similarly, the ConocoPhillips/EnCana refinery in Wood River is being modified to utilize more heavy crude, thereby increasing demand for Canadian supplies, and both the BP and Sunoco refineries in Toledo are increasing their capacity to utilize Canadian crude.[3] Other refineries, in the Midwest and elsewhere, are pursuing the same course: These include *inter alia* an addition of 65,000 bpd of heavy crude capacity at the Marathon refinery in Detroit, designed to increase the output of gasoline and other fuels, and modifications to allow the use of more Canadian heavy crude at the United refinery in Warren, Pennsylvania and the Wynnwood refinery in Wynnwood, Oklahoma.

10. Generally, refiners are reluctant to undertake expensive refinery upgrading projects designed to process specific types of crude unless they can be confident the requisite supply will be available for a number of years. Western Canadian sourced crude offers such surety not only because of its extremely small level of country risk -- i.e., potential for supply interruption due to political instability -- and relative insulation from weather-related disruptions (no hurricanes) but also because production and supply forecasts from western Canada consistently show strong growth in the level of production for the foreseeable future. Supply forecasts from both the Canadian National Energy Board (NEB) and the Canadian Association of Petroleum Producers (CAPP) -- confirmed by Enbridge's own assessments -- predict significant increases in Western Canadian Sedimentary Basis production over the next 10-15 years. Such forecasts show that there could be between 600,000 to 800,000 bpd of incremental crude oil

[3] The Wood River refinery, now known as WRB Refining LLC, is held by a joint venture formed on January 1, 2007 between ConocoPhillips and EnCana (a Canadian oil producer).

production by as soon as 2010, with even greater output levels reached by 2020. The NEB projects a 68% increase in western Canadian crude supply by 2015, from 2.4 million to 3.9 million bpd. Most of this rising production is expected to flow to the United States. CAPP, which represents Canadian oil and gas producers, projects even higher levels of production. The corollary to such increased levels of supply is, of course, pipeline transport capacity adequate to accommodate these levels of supply and demand.[4]

11. As noted and found in Docket No. 06-0470, the increased American demand for Canadian crude petroleum, including discount-priced heavy crude, has lead to numerous developments in the common-carrier-pipeline-network. These include the reversal of both the Cushing-Chicago Line (now Enbridge's Spearhead Line) and the ExxonMobil (aka the Pegasus Pipeline) line from the Gulf to carry Canadian crude to markets south of Illinois that were formerly supplied by other sources. Markets thus receiving Canadian crude include the Cushing area and U.S. Gulf Coast refiners reached by the reversed ExxonMobil/Pegasus line. The Southern Access Project approved in Docket No. 06-0470, undertaken in response to such market needs and demands, is the most significant recent development in pipeline transportation. Enbridge's Extension Project is both a response to the increase in public need and demand for refined petroleum products and the Canadian crude supplies essential to their production in Illinois and other markets and the next logical step for the Enbridge Mainline System in meeting the resulting need for better access to western Canadian suppliers.

[4] In addition to the growing Canadian supply, domestic production in the Williston Basis, which covers large areas of North Dakota, eastern Montana, and parts of Canada, has been growing since 2002, unlike other domestic sources. The light, sweet crude produced therein flows into Enbridge's Mainline System at Clearbrook, Minnesota via Enbridge's North Dakota System (which is also being expanded). From there, it is available to U.S. refiners in the Midwest, including Illinois, via the Southern Access Program, including the Extension Project. No other pipeline systems are acting to expand access to the Williston Basis' resources.

12. Access to Canadian crude via the "Patoka Hub," a complex of several crude storage terminals having multiple connections to inbound and outbound petroleum pipelines, is critical to numerous southern Illinois and Midwestern refineries. Both the WRB refinery in Wood River and the Marathon Refinery in Robinson are directly or indirectly connected to the Patoka Hub and can and likely will continue to receive Canadian crude through it. The planned modifications at Wood River (supra at 11) will enable the refinery to process up to 200,000 bpd of Canadian heavy crude (bitumen) and will cost over $3.9 billion. Other Midwestern refineries that receive crude supply via the Patoka Hub include the Marathon facilities in Catlettsburg, Kentucky and Canton, Ohio and Husky's operation in Lima, Ohio. Both the Lima refinery and the Catlettsburg refinery anticipate using increased amounts of Canadian-sourced crude oil. Beyond these southern Illinois and Midwestern facilities, some Canadian crude is transported to the U.S. Gulf refinery complex from Patoka by the Pegasus Pipeline, but it can move only 66,000 bpd and cannot meet transport demand.[5]

13. There are currently three pipelines that can deliver western Canadian crude to the southern Illinois area or the Patoka Hub -- the Express/Platte Pipeline which originates in Wyoming where it is connected to Canadian supplies by other pipelines; the Mustang Pipeline (30% owned by Enbridge) which originates in the Chicago/Joliet area and is connected to Canada via the Enbridge Mainline System; and Enbridge's Ozark line which originates in Cushing, Oklahoma and can receive Canadian crude through interconnection to the Spearhead Pipeline (ex-Cushing-Chicago Line, reversed in 2006). The Platte line has limited capacity

[5] Enbridge and ExxonMobil have announced a joint venture to assess the potential to develop a high-capacity pipeline project from the Patoka Hub to the U.S. Gulf Coast refining complex. The concept would not require additional routing for the Enbridge Mainline System in Illinois but would utilize other means of expanding capacity, e.g., additional pumping facilities, etc. Such a line would supplement the growing movement of crude from Canadian sources, which are fully capable of meeting any incremental need for supply in the Midwest.

(140,000 bpd ±) and is not scheduled for expansion. Neither the Spearhead line nor the Ozark system (which primarily transports domestic and Gulf-landed crude from Cushing) are desirable means for Illinois/southern PADD II refiners to receive Canadian crude because such movements would be indirect, involve significantly longer routes with more days in transit, and have higher transport costs than other routes. However, due to the increased demand for Canadian crude supplies, as discussed above, demand for transport capacity on such lines to move Canadian oil has increased due to capacity restraints on more direct routes despite such relative disadvantages. Such demand now exceeds their capacity with the result that transport space on these lines is in apportionment, i.e., rationed among shippers. This lack of capacity to carry the growing and highly demanded supply of Canadian crude is only expected to increase in the future absent pipeline expansions. Some forecasts predict deficits in pipeline capacity of 1.65 million bpd to 2.0 million bpd in the 2006-2020 period. Such concerns, as noted, motivate Enbridge's Southern Access Program, including the Extension Project. [6]

14. The Extension Project, which will be integrated into and operated with the Enbridge Mainline System, will benefit the petroleum-consuming public in Illinois, the Midwest and PADD II region, and other U.S. market areas by increasing the ability of Enbridge to deliver more Canadian crude to American refiners. The emergence of the Alberta oil sands as a major source of North American supply is an important contribution to meeting the growing demand for petroleum in Illinois and elsewhere. In addition to Midwest users, refiners in the American Mid-continent and Gulf Coast areas constitute the most natural and attractive markets for western Canadian produced crude petroleum. Producers that are investing billions of dollars in

[6] TransCanada's Keystone Pipeline will connect western Canada to the Patoka Hub via Wood River. However, its capacity is largely committed and will not be adequate to accommodate the growing Canadian supply. Thus both lines -- the Expansion Project and Keystone -- are needed to meet the appetite for Canadian crude.

the development of Canadian supply sources are depending upon access to such markets as essential to the development of that resource. Just as Illinois-area refiners and petroleum consumers benefit from access via the Southern Access Project to Canadian crude due to an increased supply of crude, the availability of less-costly crude, and improved security and stability in sourcing crude, refiners and consumers in market areas abutting and beyond Illinois will benefit from such access via the Extension Project. Of course, as the Extension Project increases transport capacity to such Illinois refining areas connected to the Patoka Hub as Wood River and Robinson, the benefit to Illinois and Midwest petroleum consumers will be further enhanced. As found in the case of the Southern Access Project, refiners that can both obtain and process discount-priced heavy crude from Canada can enjoy lower supply costs, more dependable sourcing, and expeditious delivery -- all benefits that accrue to consumers as enhanced supplies help restrain product prices, secure product availability, maintain the economic viability of area refiners and their contributions to the economy, and cushion the American market against supply disruptions and distortions caused by natural phenomena (hurricanes) and world oil shocks from wars, insurrections, and terrorism.[7] Moreover, the Extension Project will provide an additional delivery option for southern Illinois and other Midwestern refiners, thus creating more market competition for crude transportation services. As well, it will enhance the flexibility and security of the Enbridge Mainline System by increasing the number of its parallel lines and interconnection options.[8]

[7] In August 2005, Capline, the largest pipeline transporting crude from the Gulf of Mexico to the Midwest, was shut down for four days due to Hurricane Katrina. After operating at reduced capacity for more than a week, it was shut down again by Hurricane Rita, subsequently suffering reduced throughput. Adequate replacement capacity was not available and several Midwest refineries were forced to reduce crude throughput, thus reducing refined product supply for the Midwestern public.

[8] Canadian crude moved beyond Illinois and PADD II benefits the public therein because of inter-regional flows of refined products produced in other areas that are essential to satisfying consumer demand. As noted (supra, n.2), PADD II does not have adequate refining capacity to meet demand; it accordingly receives enormous volumes of

15. The extension of the Enbridge Mainline System to Patoka will meet the need for increased supplies of Canadian crude in a manner conducive to public convenience and necessity. Just as for the Southern Access Expansion Project and the Southern Lights Project, Enbridge extensively studied possible rights-of-way and considered various routing alternatives for the Extension Project. Working with right-of-way, environmental, and engineering consultants, Enbridge personnel identified and analyzed twenty-eight (28) potential routes using such criteria as possible collocation opportunities along existing transmission corridors, total length, biological resource areas, wetland areas, environmentally sensitive area, streams and river crossings, cultural resource areas, land use patterns and jurisdictions, urban/developed areas, etc. Environmental and land use data bases were consulted and field investigations and site inspections conducted. As well, Enbridge representatives met with state and local officials and authorities, landowners, and other interested parties to gain knowledge and input, and continue to do so. Early in the planning effort, Enbridge identified the opportunity to acquire a substantial portion of the right-of-way by merging with the Central Illinois Pipeline Company (CIPC) which owned an existing but inactive pipeline and associated right-of-way running from near the Village of Heyworth in McLean County to near the City of Patoka in Marion County. After investigation, Enbridge decided to acquire CIPC and the right-of-way, thus giving it approximately 120 miles of the needed 170± miles of right-of-way for the Extension Project. Having thus identified the major portion of the route, which ranked highest under the evaluation criteria, Enbridge selected its proposed route, which maximizes the utilization of existing facility rights-of-ways by generally following the CIPC pipeline and other utility routes except for necessary deviations to avoid new development or unusually sensitive environmental areas.

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refined products from the U.S. Gulf Coast refining complex, where refining capacity greatly exceeds local refined-product demand.

Thus, as more specifically described in Exhibit A to this Application, the Extension Project's right-of-way will originate at Enbridge's Flanagan terminal facility and run west-southwest parallel to the Spearhead Pipeline for approximately fourteen (14) miles. At that point, the route turns south to traverse some thirty (30±) miles of agricultural land east of the Bloomington-Normal municipal area. After that, the route turns southwest for approximately ten (10) miles to run parallel to an existing right-of-way west of the Village of Downs in McLean County to a junction point with the CIPC right-of-way west of Heyworth in McLean County. At that point, the Extension Project utilizes the CIPC right-of-way, except for the aforementioned necessary deviations, to run basically south through DeWitt County (west of Clinton) into Macon County running west of Decatur and continuing into Christian and Shelby Counties along the CIPC route passing to the east of Pana into Fayette County and continuing therein east of Vandalia to enter Marion County and terminate at Enbridge's tankage facility north of Patoka, Illinois. This route, depicted in Exhibit B hereto, is the most effective means of minimizing utilization of new routing, is predominately located in rural areas used for agricultural purposes, is generally away from residential, commercial, and industrial areas, and is the most feasible path for the new pipeline, thus comprising the most publicly effective and convenient way to provide the needed transportation service and capacity.

APPLICANT'S FITNESS, WILLINGNESS, AND ABILITY TO PROVIDE COMMON-CARRIER-BY-PIPELINE SERVICE

16. Enbridge and its predecessors have a long history of successfully operating common carrier pipelines in Canada, in the United States, and in Illinois. This history began almost sixty years ago in Canada when Enbridge (née Interprovincial Pipe Line) built the first pipeline out of Alberta. By 1950, it had successfully brought the pipeline system to the head of the Great Lakes at Superior, Wisconsin, where crude was transferred by tanker ships originally to eastern Canada and then also to U.S. ports. In ensuing years, the Lakehead System was extended from Superior across Wisconsin and the Upper and Lower Peninsulas of Michigan to reach Ontario at Sarnia, a distance of 643 miles, including four and one-half miles of pipeline laid under the Straits of Mackinac. Subsequently, Enbridge Lines 9, 6A/6B, and 14 were built to reach additional markets and deliver crude petroleum needed by their residents. Thus for decades the Enbridge Mainline System has operated thousands of miles of pipelines and delivered billions of barrels of liquid petroleum to American and Canadian consumers. Recently, various acquisitions and expansions have broadened and deepened Enbridge's operational, managerial, and technical qualifications and expanded the scope of its institutional and financial resources. Today Enbridge is one of North America's major independent pipeline systems, i.e., not owned by/affiliated with an oil producing or refining company and today the Enbridge Mainline System transports the majority of the crude oil and natural gas liquids produced in western Canada and is the major source of crude supply for much of the refinery demand in the American Midwest, including in Illinois, and in eastern Canada.

17. As part of the Enbridge Mainline System, Enbridge Illinois will participate as a leader in pipeline-control and leak-detection systems, developing and deploying advanced

computerized control, monitoring, and detection equipment on its line. These include the state-of-the-art SCADA (Supervisory Control and Data Acquisition) system which constantly monitors sensing devices placed along the Enbridge Mainline System to track the pressure, temperature, density, and flow of liquid petroleum under transport and display the system's status to operators in the Operations Control Center in Edmonton, Alberta. The Edmonton Control Center uses modern pipeline control technology to monitor Enbridge's liquid pipelines. Information flows to and from the Edmonton center and the system facilities on a 24/7 basis using Enbridge's extensive telecommunications facilities, which will be modified to include the Extension Project. Through the SCADA system, Enbridge's operators can maintain its pipelines within established operating parameters and can remotely and automatically shut down lines or segments thereof when they observe abnormal conditions or if safety parameters are exceeded. A subsystem of SCADA, known as CPM (Computational Pipeline Monitoring System), has the ability to analyze minor deviations in the flow of liquids through the pipelines, thus allowing operators to swiftly identify very small leaks that would otherwise not be as readily detectable remotely. CPM will of course be used on the new line as one of many leak detection systems. Strict operations rules require center operators to shut down lines whenever conditions are discovered that cannot be attributed to normal fluctuations and changes in the flow of petroleum.

18. Enbridge is also a leading entity in the construction and safe and environmentally sound operation of pipeline systems. Enbridge's lines are built and maintained in accordance with industry and governmental requirements and standards, and often in excess thereof. Thus the 36-inch Extension Project will be constructed using pipe with a .375- to .438-inch standard wall thickness and will be APL 5L Grade X70 steel pipe manufactured by a qualified petroleum pipeline fabricator. As are all Enbridge lines, the new pipeline is designed to withstand pressures

over and above its normal operating pressure. All pipe is inspected and integrity-tested at the factory and transported per the highest technical standards. All of the pipe will be plant-coated with fusion-bonded epoxy coating to protect against corrosion (coating in the controlled environment of a coating plant greatly enhances the efficacy of the process). In agricultural areas, the pipe will be installed at a minimum depth of five feet below grade except where paralleling existing lines or where greater depth may be required for particular conditions such as road and water body crossings and particularly sensitive areas. Advanced excavation, soil-separation, and decompaction and restoration techniques will be employed to preserve soil productivity and profiles and all disturbed areas will be restored to pre-construction conditions and grades or otherwise mitigated. To assure minimal impacts on agricultural properties, Enbridge entered into an Agricultural Impact Mitigation Agreement with the Illinois Department of Agriculture on July 23, 2007 which provides comprehensive procedures to deal with productivity, erosion, access, and other issues of concern in agricultural areas (appended as Exhibit C). The actual installation of the pipeline will be subject to regulatory inspection, including by PHMSA inspectors operating from the agency's Central Region office in Kansas City, Missouri and field office in Des Plaines, Illinois. Enbridge additionally will employ third-party construction, safety, and environmental inspectors to assure compliance with Enbridge's contract specifications for pipeline construction, which specifications incorporate all regulatory and industry requirements. Although not yet selected, Enbridge will utilize only highly qualified and experienced contractors to do the actual construction and installation work. Employing such contractors ensures that Enbridge's new pipeline and facilities will meet and/or exceed all standards. Once installed, the line will be subjected to careful testing to verify its integrity and compliance with regulatory standards and contract specifications. Such testing will include

checking coating integrity; examining by X-ray 100% of field welds (well above the 10% required by regulation); internally inspecting the entire length of the line by using an in-line inspection tool known as a caliper pig; and hydrostatically testing the line to qualify it to meet the pressure standards set for it (hydrostatic testing is done to 100% of specified minimum yield strength (SMYS); maximum operating pressure is 72% of SMYS). The line will go into service only after inspection to verify compliance with all construction standards and requirements. Of course, the construction and installation of the Extension Project must, and will, also meet the environmental impact and protection standards of the numerous federal, state and local agencies that may have jurisdiction over environmental factors along Enbridge's routes. These include the U.S. Army Corps of Engineers (ACE), the Illinois Department of Natural Resources (DNR), and the Illinois Environmental Protection Agency (IEPA). A list of such environmental as well as cultural/historical agencies and their permitting requirements is appended as Exhibit D.

19. Compliance with regulatory requirements applicable to pipeline construction is only part of Enbridge's commitment to protecting and enhancing the environments in which its lines and facilities operate. Enbridge expends many millions of dollars annually to maintain, protect, and upgrade its pipelines and other facilities. All of Enbridge's mainline liquids pipelines are coated to resist corrosion, inspected at regular intervals using internal-inspection technology, and equipped with a cathodic-protection system to prevent external corrosion. In addition, Enbridge's rights-of-way are patrolled and inspected by air at least every three weeks but not less than twenty-six (26) times per year to watch for abnormal conditions or dangerous activities, e.g., unauthorized excavation, along the routes of the lines. Enbridge's detailed Operating and Maintenance Procedures, which include regularly scheduled maintenance inspections and tests and are periodically inspected by PHMSA for compliance with federal

requirements, will be applied to the Extension Project. Enbridge also conducts extensive public education and outreach programs that meet or exceed industry (API Recommended Practice 1162) and federal (49 CFR 195.440) requirements concerning public awareness of pipelines and pipeline-safety matters. All Enbridge pipelines are marked with signage and warnings, per federal regulations, at road and highway crossings, field lines, navigable rivers, and other locations to alert the public to the presence of underground lines and to provide information, contact numbers, and emergency data. Enbridge maintains emergency response equipment and personnel at strategic points along its routes -- and will do so for the Extension Project -- and trains its personnel to deal with any pipeline emergency. An emergency response plan approved by PHMSA is in place and force and specialized response-services providers are under contract to supplement Enbridge's resources if necessary. Enbridge has high standards for environmental protection, as demonstrated by its record in Illinois where its lines have operated since 1968. In that span of almost forty years, Enbridge/Lakehead has had few mainline releases (five) within Illinois large enough to be reported under applicable federal regulations. Two of these, including the most substantial at Elgin in 1988, were caused by improper excavating within the pipeline right-of-way. In all cases, the pipeline was shut down and the release was promptly and effectively contained and mitigated by Enbridge. Given the billions of barrels of liquid petroleum transported into and through Illinois by Enbridge/Lakehead since 1968, Enbridge's history in Illinois is a positive record of safe, environmentally conscious operation, which record Enbridge is committed to maintaining and improving.

20. Enbridge's commitment to the Southern Access Program, which includes the Extension Project, is clear. As shown in Docket No. 06-0470, the public need for more petroleum products and more crude supply has been carefully assessed and evaluated; the

interests of petroleum shippers and refiners have been studied and considered and the support of both has been established through consultations with CAPP and refinery representatives in Illinois, the PADD II region, and elsewhere. Relying upon such support, Enbridge has negotiated cost-of-service tariff provisions for the Extension Project line and will shortly submit them to FERC for approval. The requisite capital, now estimated to be at least $350 million (2006 dollars), has been committed by Enbridge management and Enbridge is financially capable of constructing and operating the new line, as is evident from the appended reports and financial statements for Enbridge Partners and Enbridge Inc. See Exhibits E and F. Enbridge Illinois has qualified itself to do business in Illinois and the necessary steps are in progress to construct the new line and place it in operation in order to deliver vitally important crude petroleum beginning in the first quarter of 2009. As noted, Enbridge has purchased the CIPC right-of-way for use as the major part of the Extension Project's route. As well, efforts are underway to conduct detailed civil, environmental, and archeological surveys along the proposed rights-of-way; construction specifications are under development; pipe fabrication has been scheduled; and notice of this application is being provided to the pipelines, railroads, telecommunications companies, county boards, municipal governments, and regulatory agencies listed on Exhibit G appended hereto. Also, Applicant has compiled, and appended hereto pursuant to 83 Illinois Administrative Code § 200.150(h), a list of the owners of records of privately owned tracts of land upon or across which Applicant expects to construct the new Extension Project (see Exhibit H).

CONSTRUCTION AUTHORITY/EMINENT DOMAIN POWER

21. For all the reasons discussed above, the construction, operation, and maintenance of the Extension Pipeline is needed and is conducive to the public convenience and necessity, both of Illinois and of the broader petroleum-consuming public in PADD II and other market areas. For those reasons, an order under section 8-503 of the Act directing Enbridge to construct, operate, and maintain the pipeline should issue. Similarly, the Commission should issue an order under Section 8-509 of the Act authorizing Enbridge to acquire property for the pipeline through the law of eminent domain when necessary. As stated above and as shown and found in Docket No. 06-0470, Enbridge has no desire or intention to condemn the permanent and temporary easements and other interests in land it requires for the pipeline, preferring instead to acquire the needed rights through good-faith negotiations with landowners. To that end, Enbridge has already obtained a majority of the route via the CIPC right-of-way and has instituted for the Extension Project a land-acquisition program identical to that found adequate and acceptable in Docket No. 06-0470. Under this program, Enbridge informs landowners along the proposed route of its (Enbridge's) program and needs, solicits their input and participation in the route-planning process, adjusts right-of-way locations and installations as possible to accommodate landowner interests and concerns, and compensates landowners for needed interests at or above their fair market values, paying full fee value for both fee interests and permanent easements used for the right-of-way as well as above-market rental-type values, generally thirty percent (30%) of fee value, for temporary workspace easements which last only during construction. It is also Enbridge's policy and practice to compensate landowners fully for any non-restorable incidental damages, such as loss of marketable trees; to pay for crop losses incurred during and after construction of a pipeline via a generous formula; and to restore any area affected by

construction to its pre-existing status as fully as possible, as per, e.g., the agricultural impact mitigation procedures agreed upon with the Illinois Department of Agriculture. Enbridge right-of-way agents are trained and tasked to negotiate fully and fairly with landowners, preferably via face-to-face contact as much and as often as necessary to reach accord. Information efforts and programs -- mailings, meetings, open-houses, etc. -- are also employed to inform landowners and interested persons, such as Farm Bureau members and local officials, of project plans, procedures, and potentials. Enbridge bases offers for easements, etc. on careful analysis of property values in the area of the route for comparable properties and employs a standard easement agreement (Exhibit J) that clearly defines the parties' respective rights and preserves to the landowner the maximum control over and use of the land impressed with an easement. All offers are made in writing, with appropriate legal descriptions and plats identifying the extent and placement of the permanent and/or temporary workspace easements. Enbridge tries to have several person-to-person contacts with each landowner to provide route information, secure survey permission, discuss concerns, and present offers for consideration. It adheres to the Commission's information and notice requirements under 83 Ill. Admin. Code Part 300 and supplements that data with materials of its own about the pipeline, pipeline construction, agricultural mitigation, etc. (see Exhibit I). By employing such practices and procedures, Enbridge is confident that it can acquire most of the requisite right-of-way easements -- a significant but manageable task given Enbridge's ownership of the CIPC route -- by good-faith negotiations. Nonetheless, as found in Docket No. 06-0470, Enbridge's experience as well as reality suggest that authority to condemn in proper circumstances, such as refusals to negotiate or refusals of contact, may be essential to avoid having the route that is most efficient and effective for all concerned -- the environment, the public, the pipeline, and the landowners -- blockaded by

refusals to negotiate reasonably or at all. Enbridge of course would not resort to condemnation unless and until all its reasonable offers and efforts had been refused or rejected.

22. Enbridge is working energetically to acquire the necessary rights-of-way. It has established a field right-of-way office in Decatur, Illinois and has staffed it with nine land agents as well as administrative and supervisory personnel. All these employees' efforts are fully devoted to the Extension Project. In addition, Enbridge has hired a Community Affairs Manager to communicate information about the project to local and state public officials and has established both a toll-free telephone number and a project website (enbridge-expansion.com) for use by anyone seeking information. Various informational mailings have been made to landowners and public officials and the requisite Commission informational packet was mailed to all landowners of tax record, as well as all concerned public officials, on August 7, 2007. See Exhibit I. Thus detailed discussions and negotiations for the acquisition of easements and other interests will begin shortly; however, through its introductory and informational efforts Enbridge has already averaged two or more contacts with each of the approximately 560 landowners on the Extension Project (over 1,000 contacts in all) and has secured written survey permission for eighty-eight percent (88%) of the roughly 807 tracts along the route. Accordingly, civil and environmental survey work is progressing well and Enbridge is confident it can add the Extension Project to its Mainline System (Exhibit K) in early 2009 as scheduled.

CONCLUSION

For the reasons stated above, the petition of Enbridge Pipelines (Illinois) L.L.C. should be granted and the Applicant should be certificated as a common-carrier-by-pipeline and ordered and authorized to construct the Southern Access Extension Project and to condemn private property when necessary to such construction.

Respectfully submitted,

ENBRIDGE PIPELINES (ILLINOIS), L.L.C.

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One of Applicant's Attorneys

Dated: August 16, 2007

VERIFICATION

PROVINCE OF ALBERTA)
) SS
CITY OF EDMONTON)

Dale W. Burgess, P. Eng., first being duly sworn upon oath, deposes and says that he is the Director, Southern Access, of Enbridge Pipelines Inc., an affiliate of Applicant Enbridge Pipelines (Illinois) L.L.C.; that he is the project director of the Southern Access Program; that he is authorized to make this verification on behalf of Applicant; and that he has read the above and foregoing Application, including the attachments appended thereto, and knows the contents thereof, and that said contents are true and correct to the best of his knowledge, information, and belief.

Dale W. Burgess, P. Eng.

SUBSCRIBED AND SWORN
to before this 24th day of August, 2007.

Notary Public

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

IN RE ENBRIDGE PIPELINES (ILLINOIS) L.L.C.	)	
	)	
APPLICATION PURSUANT TO SECTIONS 8-503, 8-509, AND 15-401 OF THE PUBLIC UTILITIES ACT/THE COMMON CARRIER BY PIPELINE LAW TO CONSTRUCT AND OPERATE A PETROLEUM PIPELINE AND, WHEN NECESSARY, TO TAKE PRIVATE PROPERTY AS PROVIDED BY THE LAW OF EMINENT DOMAIN	)	Dkt. No. 07-

EXHIBITS TO APPLICATION
FOR A CERTIFICATE IN GOOD STANDING AND OTHER RELIEF

Legal Description of Route (by sections)	A
Route Map -- Southern Access Extension Line	B
Agricultural Impact Mitigation Agreement	C
Environmental Agencies/Permits	D
Enbridge Inc. 2006 Annual Report	E
Enbridge Partners 20006 Annual Review	F
Notification List	G
Landowner List	H
Communications with Landowners/Officials	I
Standard Easement Agreement	J
Mainline System Map	K

August 16, 2007